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RUEHBI/AMCONSUL MUMBAI PRIORITY 5708
RUEHON/AMCONSUL TORONTO PRIORITY 0452
RUEHGV/USMISSION GENEVA PRIORITY 2450
RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY
RHEFDIA/DIA WASHINGTON DC PRIORITY
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C O N F I D E N T I A L SECTION 01 OF 03 COLOMBO 001551

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DEPARTMENT FOR SCA/INS

E.O. 12958: DECL: 11/15/2017
TAGS: [PGOV](#) [PREL](#) [PTER](#) [PHUM](#) [MOPS](#) [CE](#)
SUBJECT: SRI LANKA: BUDGET VOTE A CLIFFHANGER AS JVP
DELIVERS ULTIMATUM TO PRESIDENT

REF: A) COLOMBO 1373 B) COLOMBO 1464 C) COLOMBO 1491

Classified By: Ambassador Robert O. Blake, Jr. Reasons: 1.4(b, d).

11. (C) SUMMARY: The leader of the principal Sinhalese nationalist party, the JVP, with 37 seats in Parliament, told a rally of supporters on November 13 that the party would not support the government on the crucial budget vote unless its conditions were met. He demanded that the President agree to terminate the Ceasefire Agreement with the Tamil Tigers, dissolve the committee charged with preparing a political solution to the conflict, pledge to bar future visits by senior UN officials, and "protect the country's sovereignty."

The speech unleashed frenetic activity in Parliament as government and opposition whips tried to line up wavering votes, with a couple of MPs changing sides in the process. A defeat of the budget would result in the dismissal of the government, or possibly the suspension or dissolution of parliament and new elections. Most observers believe that only a JVP vote against the budget could bring the government down. An abstention would likely leave the government in comfortable control. End summary.

12. (SBU) The left-wing, Sinhalese nationalist JVP has placed conditions on its support for the GSL in the crucial budget vote due November 19. In a speech delivered to party faithful on November 13, JVP leader Somawansa Amerasinghe said the JVP would vote for the budget only if the government:
-- Abolishes the Ceasefire Agreement (CFA) with the LTTE (note: this only requires two weeks' notice to the Norwegian MFA)
-- Pledges to refuse visits by any more senior UN envoys
-- Dissolves the All-Party Representative Committee that has been working on a devolution proposal as the basis for a political settlement of the conflict
-- Takes an "oath to protect the country's sovereignty." (no further information).
In separate moves, the JVP is also pressing the government publicly on the cost of living and corruption, going so far as to threaten a general strike.

¶3. (C) Some observers tell us that JVP parliamentary floor leader Wimal Weerawansa (ref a), who is close to the Rajapaksa brothers, lost an internal JVP struggle to support the government on the budget. In this version, the failure of the government's most recent offensive against the LTTE at the Forward Defense Line near Muhamalai on the Jaffna peninsula forced the JVP to take a more strident tone.

¶4. (C) Defense journalist Iqbal Athas (strictly protect) told Pol Chief that the recent thrust by the Sri Lankan Army at Muhamalai on the Jaffna peninsula was a politically motivated offensive. The idea was for seven battalions to move on a broad front, grabbing a little territory from the LTTE. This would then allow the government to claim that a military solution was in sight and assure itself of the JVP's support on the budget. The JVP could then tell its supporters that continuing the war against the Tigers was more important than their concerns about the budget, corruption, and the cost of living. JVP parliamentary floor leader Wimal Weerawansa, who is close to the Rajapaksa brothers, was in touch with both Gothabaya and Basil on this strategy.

¶5. (C) Athas noted that it didn't work out that way in practice. The LTTE, using a favorite tactic, allowed one SLA unit punch to penetrate, then closed in. Athas said many soldiers were wounded by land mines, subsequently undergoing amputations as a result. (Note: Embassy received reports the morning of the attack of ambulances speeding from Ratmalana

COLOMBO 00001551 002 OF 003

military airbase near Colombo, presumably after these cases were airlifted out of Jaffna.) The attack, Athas confided, was a fiasco) albeit on a smaller scale than a similar ill-fated SLA offensive at Muhamalai on October 11, 2006. He commented that many military officers are disillusioned with the country's leadership and asking when this "political war" is going to end.

SEESAW BATTLE FOR THE LAST FEW VOTES

¶6. (SBU) On November 14, the chairman of COPE (the parliamentary investigative committee on corruption), Wijeyadasa Rajapaksa, defected to the opposition. The COPE chairman was known to be among the most restive SLFP members. He said that he could only support the government if the Cabinet were reduced from 107 to 30. He also demanded the dismissal of Tourism Minister Milinda Moragoda and Public Administration Minister Karu Jayasuriya, as well as Treasury Secretary P.B. Jayasundera, all of whom, he said, were

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corrupt (ref b, c). The government struck back the following day with the defection of UNP MP Mahinda Ratnatilleke. A bit later, Acting Justice Minister Dilan Perera, known to be close to former President Chandrika Kumaratunga, announced his resignation from the SLFP Central Committee.

¶7. (C) Several discontented SLFP MPs were reportedly considering abstaining or voting against the budget, including Nirupama Rajapaksa (an estranged niece of the President), Pavithra Wanniarachchi, and Arjuna Ranatunga. There were reports from insiders suggesting that some wavering MPs were being offered huge financial inducements either to vote for or against the government.

¶8. (C) The decisions of several minor parties will have an impact on the outcome. The Sri Lankan Muslim Congress and its leader, Rauff Hakeem, who joined the government reluctantly several months back, will meet November 16 to decide their strategy. The two parties representing "Up-Country" Tamils are currently in the government. Of the

two, the Up-Country People's Front seems the more likely to vote with the opposition. Party leader Chandrasekera and his deputy Radhakrishnan told Pol Chief on November 15 that they felt they had accomplished little by serving in the government, which was dismissive of Tamil's grievances. They noted that Tamil sentiment is overwhelmingly hostile to the current government. Their current positions as ministers had not even enabled them to protect their constituents from arbitrary arrest, they noted.

¶9. (C) However, the opposition's maneuvering seems unlikely to succeed unless the JVP can be persuaded to vote against the government. If the party abstains, the government will still enjoy a plurality of about 45 seats - too many for the UNP and its allies to overcome. United National Party foreign affairs spokesman Ravi Karunanayake told us on November 15 that he believed the JVP would now have to vote against the budget. He observed that it was hard to see how the JVP could backtrack from the exposed position its leader had taken. Karunanayake conceded that a JVP abstention would leave the opposition well short of toppling the government, however.

JVP AT THE CROSSROADS

¶10. (C) Most observers are skeptical that the JVP will push this strategy to the limit, since it is widely expected to lose more than half its seats in the event of a new parliamentary election. The party is known to be split on supporting the government. A few members around Weerawansa, despite their strident rhetoric, will want the current government to continue in power. Others, who have been

COLOMBO 00001551 003 OF 003

having quiet discussions with the UNP and former Foreign Minister Mangala Samaraweera, may think they will be better off facing an early election soon, rather than be confronted with a similar situation in a few months or a year from now.

¶11. (C) If it becomes clear that the JVP actually does intend to vote against the budget, the numbers get very difficult for the government, and there may be a sudden evaporation of its support. Several minor parties may desert President Rajapaksa. They could be joined by several dissatisfied SLFP ministers, who resent Presidential Advisor Basil Rajapaksa's interference in their portfolios. One option the government may seize if it feels it is at risk of losing control would be to "prorogue" parliament -- essentially ending the current session prematurely and suspending the body for up to 60 days. Should the government again fail in the new session to pass a budget, new elections would be required.

¶12. (C) COMMENT: Simple arithmetic suggests that the opposition is only six or seven votes away from toppling the government. However, the current situation is extremely fluid and the outcome difficult to predict. The JVP, which holds the key, clearly stands at a crossroads. The government can hardly accede to all or most of the JVP's four conditions without appearing to succumb to blackmail. In a way, the government has already met the JVP's most important demand by pursuing the war against the LTTE aggressively. If the JVP votes against the budget, paving the way for the government's fall, it leaves itself open to recriminations that it indirectly helped the LTTE. On the other hand, if the government survives and were to achieve a final victory over the Tigers, the JVP would have to worry that much of its support would gravitate to the President's SLFP in a future election. The most obvious solution to the JVP's dilemma would be to make its point about corruption and inflation by abstaining on the budget, at the same time preventing the opposition from taking power. If that is what occurs during the November 19 budget vote, then we will probably see only minor changes in alignments in Parliament and a fairly rapid return to business as usual.

BLAKE